BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of 2017 Green Tariff.

File No. ET-2018-0063

<u>APPLICATION OF UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI</u> <u>FOR APPROVAL OF ITS RENEWABLE CHOICE PROGRAM</u> AND FOR ACCOUNTING AUTHORITY

COMES NOW Union Electric Company d/b/a Ameren Missouri (the "Applicant," "Ameren Missouri," or the "Company"), pursuant to Section 393.140(4), RSMo. (2016), and 4 CSR 240-2.060, and hereby requests approval of a tariff reflecting the terms of its proposed Renewable Choice Program (the "Program"). The Company also seeks authority to defer to a regulatory liability or regulatory asset certain costs and revenues arising from the Program that will be included in the Company's current Fuel Adjustment Clause ("FAC") until appropriate revisions can be made to the FAC concurrently with the effective date of new rates in the Company's next electric rate proceeding. In support of this Application, Ameren Missouri states as follows:

1. Applicant is a Missouri corporation doing business under the fictitious name of Ameren Missouri, in good standing in all respects, with its principal office and place of business located at 1901 Chouteau Avenue, St. Louis, Missouri 63103. Applicant is engaged in providing electric utility services in portions of Missouri as a public utility under the jurisdiction of the Commission. Attached to this pleading is a certified copy of Applicant's Certificate of Corporate Good Standing. Applicant's Fictitious Name Registration was filed with the Missouri Secretary of State's Office (see MPSC File No. EN-2011-0069). Said document is incorporated herein by reference and made a part hereof for all purposes.

2. Communications regarding this Application should be addressed to the undersigned

counsel and to:

Thomas M. Byrne Senior Director Regulatory Affairs Ameren Missouri 1901 Chouteau Avenue P.O. Box 66149 St. Louis, MO 63166-6149 (314) 554-2514 tbyrne@ameren.com

3. Other than cases that have been docketed at the Commission, Applicant has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency within the past three (3) years which involve customer service or rates. Applicant has no annual report or assessment fees that are overdue.

4. Concurrently with the filing of this Application, Ameren Missouri is filing tariff sheets (the "Program Tariff") reflecting the terms of the Renewable Choice Program, as well as the Direct Testimony of Steven M. Wills. The Program Tariff sheets reflect a new service offering under which qualifying customers can elect to participate in a subscription-based renewable energy program. More and more of Ameren Missouri's customers, including its large industrial customers and cities, have taken a pledge to meet their energy needs using renewable energy resources. Mr. Wills' direct testimony further explains why Ameren Missouri believes it is important to make the Program available to its customers and how it works.

5. In addition to approval of the Program Tariff sheets, Ameren Missouri seeks authority from the Commission to defer certain costs and revenues that are presently included in its FAC to a regulatory asset or liability until such time as appropriate revisions to its existing FAC can be implemented, which the Company will request occur concurrently with the effective date of new rates in its next electric rate proceeding. Ameren Missouri may acquire the power and associated renewable energy credits for the Program through a Purchase Power Agreement or through renewable generation constructed for the Program. In either scenario, the Program will result in additional incremental power purchases, off-system sales of energy and capacity, or both. Under Ameren Missouri's current FAC, the costs and revenues associated with the incremental purchases and sales would be included in the FAC. However, because these costs and revenues are incurred specifically as part of the Program, and will be paid or received by subscribers to the Program through the Renewable Energy Price subscribers will pay or receive, failing to defer the costs and revenues included in the FAC would result in inappropriate double-counting.

6. Deferral accounting authority is necessary because while the best way to resolve this concern is to modify the FAC tariff language to carve out these costs and revenues, the provisions of section 386.266, RSMo. are such that an FAC can likely only be modified in a general rate proceeding. If Ameren Missouri completes an electric rate proceeding in which appropriate FAC tariff modifications are made before costs or revenues arising under the Program are recorded on the Company's books, the FAC modification will have been timely accomplished and deferrals will not be necessary at all. However, such a rate proceeding may not be concluded by that time.

7. Proposed FAC tariff changes that would carve the cost and revenue impacts of the Program out of the FAC can be found in a schedule to Mr. Wills' direct testimony. But because Ameren Missouri is uncertain as to when it will file its next electric rate proceeding, it requests accounting authority in this docket to capture and hold these costs/revenues. In the Company's next electric rate proceeding, the deferred sums will be credited (if a regulatory liability) or debited (if a regulatory asset) through an amortization included in Ameren Missouri's revenue requirement, and appropriate FAC tariff modifications to be approved by the Commission can be implemented so that additional deferrals will be unnecessary.¹

¹ Because of the lag between the likely update/true-up date in the next electric rate proceeding and the effective date of rates, a portion of the regulatory liability/asset balance would also need to be reflected in the subsequent electric rate proceeding, together with any unamortized balance from the initial rate proceeding.

WHEREFORE, for the foregoing reasons, Applicant respectfully requests that the Commission approve Ameren Missouri's Renewable Choice Program as reflected in the tariff sheets filed concurrently herewith, determine that the Fuel Adjustment Clause tariff sheet modifications proposed by Mr. Wills are necessary and should be implemented in the Company's next electric rate proceeding, authorize the Company to defer to a regulatory asset or liability, as appropriate, the costs and revenues arising from the Program that are otherwise includable in the Company's FAC until the appropriate FAC tariff sheet modifications are implemented, and order all other relief that it may deem just and proper under the circumstances.

Respectfully submitted,

UNION ELECTRIC COMPANY, d/b/a AMEREN MISSOURI

Is Wendy K. Tatro

Wendy K. Tatro, #60261 Director & Assistant General Counsel Paula N. Johnson, # 68963 Senior Corporate Counsel Ameren Services Company P.O. Box 66149, MC 1310 St. Louis, MO 63166-6149 (314) 554-3484 (phone) (314) 554-4014 (fax) AmerenMOService@ameren.com

James B. Lowery, #40503 SMITH LEWIS, LLP P.O. Box 918 Columbia, MO 65205-0918 (573) 443-3141 (phone) (573) 442-6686 (fax) lowery@smithlewis.com

ATTORNEYS FOR UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

VERIFICATION

The undersigned, being first duly sworn and upon his oath, hereby states that the foregoing

Application is true and correct to the best of his knowledge, information, and belief.

en T. Wood, Vice-President

Union Electric Company d/b/a Ameren Missouri

Subscribed and sworn before me this $27^{\frac{1}{2}}$ day of <u>November</u>, 2017.

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St. Louis City – State of Missouri Commission Number 17119727 My Commission Expires Mar 7, 2021

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on the Commission's Staff and the Office of the Public Counsel via electronic mail (e-mail) on this 27th day of November, 2017.

Is Wendy K. Tatro

Wendy K. Tatro

STATE OF MISSOURI

John R. Ashcroft Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, JOHN R. ASHCROFT, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

UNION ELECTRIC COMPANY 00040441

was created under the laws of this State on the 21st day of November, 1922, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 22nd day of November, 2017.

Certification Number: CERT-11222017-0072

